DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF Firelight Meadows, LLC,	)	UTILITY DIVISION
Application for Authority To Establish Initial	)	
Rates and Charges for Waste Water Services	)	DOCKET NO. D2001.12.175
	)	ORDER NO. 6410a

INTERIM ORDER

History

1.　　On December 26, 2001, Firelight Meadows, LLC, (Firelight Meadows), a Florida Limited Liability Company, filed for establishment of initial rates and charges for waste water services. The Montana Consumer Counsel (MCC) was the sole intervenor in this Docket.

Discussion and Findings of Fact

2.　　Firelight Meadows submitted testimony supporting initial rates in average of $73.76 per month for waste water. Firelight Meadows proposed initial rates of $31.50 per month for Chalet Units, $27.25 per month for Condominium Units, $28.00 per month for the Administration Building, and $30.00 for the Daycare Center. Firelight Meadows estimates there will be 82 total units in use at the end of Phase 1 of the development and 218 total units at the end of the project.

3.　　To date, Firelight Meadows has not charged for waste water service and prior to the purchase of units in the development the purchasers will be informed of the costs of the service. Firelight Meadows does not have historical cost data to assist in the establishment of rates. Actual costs, where possible, have been used in establishment of rates. All other support data is estimated.

4.　　Estimated cost of capital is 7.346 percent based on an equity structure of 79.12 percent debt and 20.88 percent equity. Cost of debt is 6.25 percent and cost of equity is 11.50 percent. All revenues, taxes and fees are based on full completion of Phase 1 (82 units).

5.   The Commission expressed concern over the waste water rates proposed by Firelight Meadows and has reservations about the future profitability of the utility at the proposed initial rates. The Commission realizes however that this initial filing is based on estimates and estimates are subject to change as historical data presents itself.

Conclusions of Law

6.   The Montana Public Service Commission regulates public utilities pursuant to Title 69, Chapter 3, Montana Code Annotated (MCA). § 69-3-102, MCA.

7.   Firelight Meadows, LLC, is a public utility furnishing water service to customers in the Big Sky, Montana area. As such, it is subject to the supervision, regulation and control of the Commission. § 69-3-101, MCA.

8.   Every public utility shall file with the Commission, within a time fixed by the commission, schedules which shall be open to public inspection, showing all rates, tolls, and charges which it has established and which are in force at the time for any service performed by it within the state or for any service in connection therewith or performed by any public utility controlled or operated by it. § 69-3-301, MCA

9.   The Commission concludes that the granting of initial rates for the Firelight Meadows water service is just, reasonable and within the discretion granted by Title 69, Chapter 3, MCA.

Order

10.   The Commission moves to approve a two-year interim rate for Firelight Meadows waste water utility.

11.   All Firelight Meadows waste water customers must be notified verbally and in writing that the present rates are interim rates and are subject to increase after the end of two years gathering of historical data.

12.   The interim rates as discussed in this Order are granted and effective immediately.

DONE IN OPEN SESSION at Helena, Montana, the 24th day of April, 2002, by a 4-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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GARY FELAND, Chairman

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BOB ANDERSON, Commissioner

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MATT BRAINARD, Commissioner

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BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision.
                      A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.